WTO - Internal

The Art of the MRAs:
key insights and lessons learned

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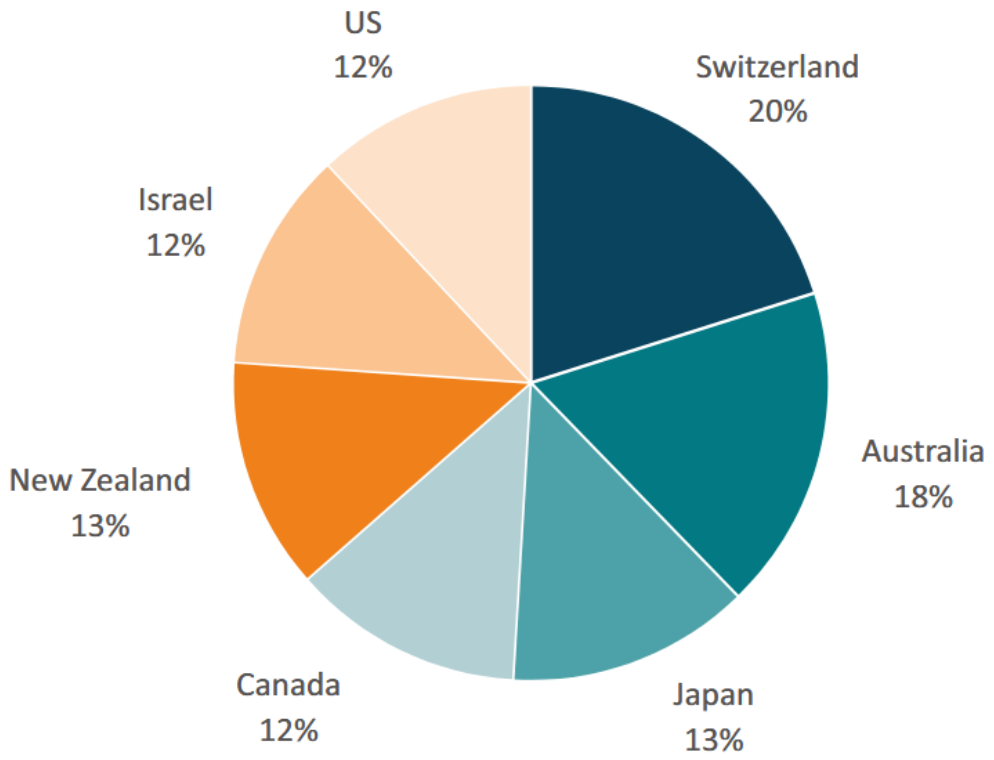
Main Benefits of MRAs:
trade expansion, diversification, supply chain resilience

- **Reduction of trade costs (fixed + marginal)**
  - MRAs allow firms to use the same conformity assessment bodies across markets, offering lower certification and testing costs
- **Empirical work shows MRAs can:**
  - increase exports by **15–40%**. Raise probability of exporting new products/markets by up to **50%**
- **Facilitation of SME participation in trade**
  - Testing and certification are fixed costs, disproportionately affecting SMEs. Lower compliance costs make exporting more accessible to smaller firms
- **Improved competition and supply chain diversification**
  - Firms can choose among more conformity assessment bodies → efficiency gains
- **MRAs allow regulatory autonomy while still facilitating trade**
  - a key advantage when different regulatory approaches still prevail across countries

MRAs: limitations and challenges

- **In some cases, only limited coverage:**
  - MRAs are typically bilateral/regional and sector-specific
- **Under-utilisation by firms:**
  - Survey evidence shows many firms are unaware of MRAs or do not use them even when available
- **Trust is the "MRA currency":**
  - Effectiveness relies on confidence in partner countries' conformity assessment systems
- **Potential implementation gaps:**
  - Without active management (regular dialogue, updates) MRAs risk becoming inactive or symbolic agreements.

FIGURE 3: WHICH MRAs ARE MOST USED BY EU EXPORTERS? (PERCENTAGE OF TOTAL RESPONDENTS)

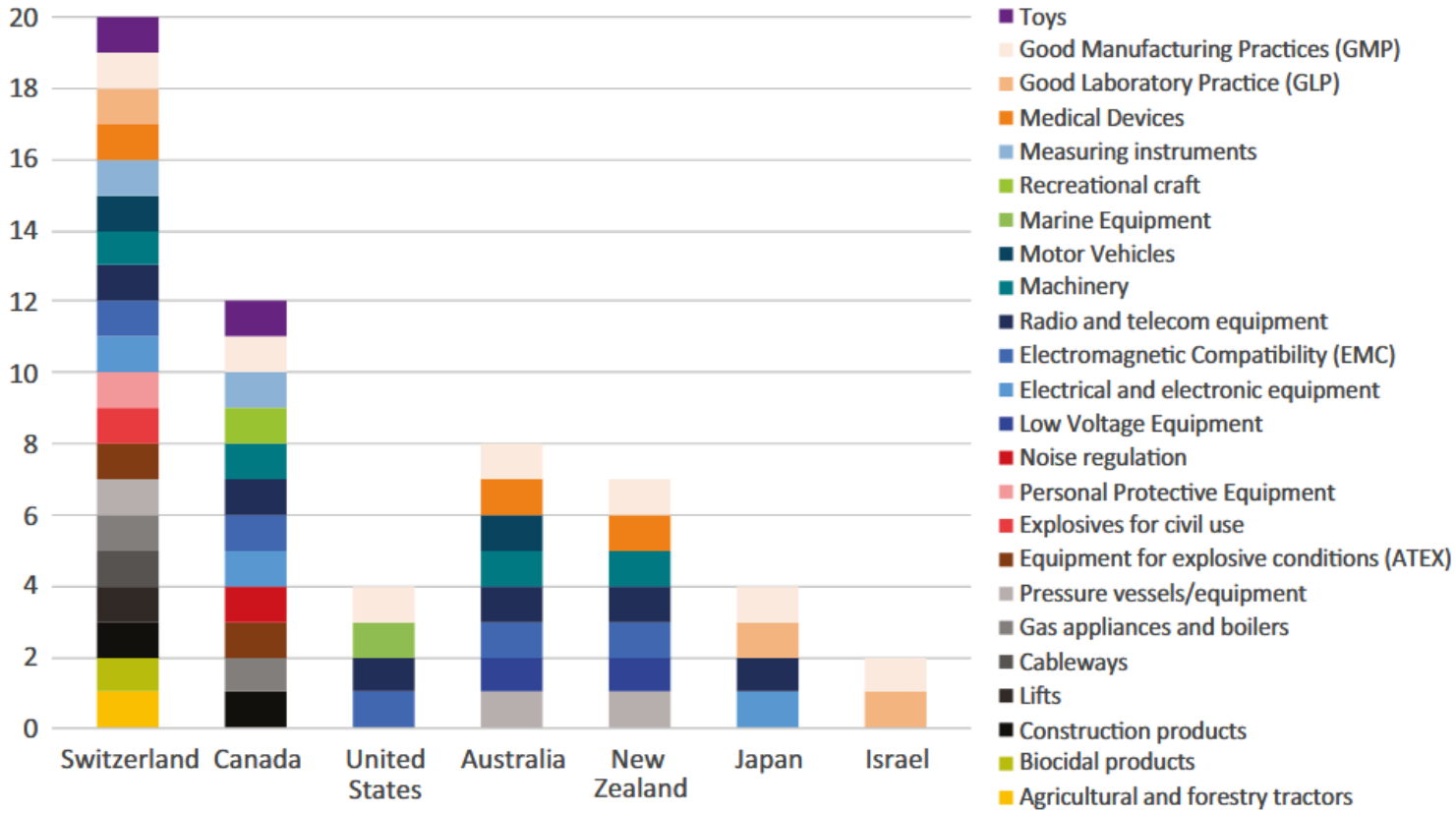


Source: Lucian Cernat (2022) How Important are MRAs for Trade Facilitation?

Key ingredients for successful MRAs

- Choose the right MRA sectors!
- Allow for simple MRA procedures to implement and expand scope
- Build trust among sectoral regulators and relevant agencies

FIGURE 4: EXISTING MUTUAL RECOGNITION AGREEMENTS (MRAS): SECTORAL COVERAGE



Source: Lucian Cernat (2023) The Art of the Mini-Deals: The Invisible Part of EU Trade Policy